AHINSA ACCOUNTING

The Lekha-Jokha Framework

A Textbook of Accountancy for Classes 11 & 12

Aligned to CBSE / NCERT Syllabus

Rooted in Bharatiya accounting tradition · Written for the modern classroom

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Preface

This textbook introduces students of Classes 11 and 12 to accountancy through the lens of the Ahinsa framework — an indigenous Bharatiya dual-persona ledger system that predates modern Western accounting standards while mirroring their systemic logic.

At the heart of this framework lie two Sanskrit-rooted concepts:

- Le-kha — 'what we give' — representing the operational engine of the business
- Jo-kha — 'what we had' — representing the accumulated benefit of ownership

Rather than the abstract labels of 'real, personal, and nominal accounts', students learn through the vivid metaphor of two archetypal personas — the Karta (Doer) and the Bhokta (Owner) — whose interplay governs every transaction.

This textbook is fully aligned to the CBSE/NCERT syllabus for Classes 11 and 12 Commerce. Each chapter includes bridge notes that map Lekha-Jokha terminology to traditional classifications, ensuring students are fully prepared for board examinations.

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How to Use This Book

Feature	Purpose
Lekha Box (green)	Concepts and rules relating to Lekha (Doer) accounts
Jokha Box (purple)	Concepts and rules relating to Jokha (Owner) accounts
Bridge Note (amber)	Side-by-side mapping to traditional NCERT classification
Worked Example	Fully solved journal entries and ledger problems
Practice Questions	Short answer, journal problems, and case-based questions
Key Terms	Sanskrit-rooted terminology with plain-English definitions

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UNIT 1 — CLASS 11

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Chapter 1: Introduction to the Ahinsa Accounting Framework

NCERT Reference: Class 11 — Chapter 1 (Introduction to Accounting)

1.1 Why Accounting?

Every business, whether a small street vendor or a large corporation, needs a systematic method to record what it gives away and what it gains. Accounting is that method — a language of business that communicates the financial story of an enterprise.

The Ahinsa framework approaches this through a timeless insight: every financial act involves a giver and a beneficiary. Understanding who gives and who benefits in each transaction is the key to mastering all of accountancy.

1.2 The Two Personas: Karta and Bhokta

The Ahinsa framework conceptualises the business as an ongoing conversation between two archetypal persons:

LEKHA

The Karta (Doer)

The active operational engine of the business. The Karta is perpetually ready to incur expenses, deploy resources, and drive transactions in pursuit of business volume. Lekha accounts belong to the Karta.

JOKHA

The Bhokta (Owner)

The ultimate beneficiary and repository of value. The Bhokta has its eyes fixed on credit — on the systematic accumulation of gains, equity, and obligations. Jokha accounts belong to the Bhokta.

The foundational insight of this framework is the Balance of Harmony:

"The Bhokta only has (Jo-kha) what the Karta has successfully acquired and has not already given away (Le-kha) through operational outflows."

1.3 Classification of Accounts

All accounts in the Ahinsa framework fall into one of two classes:

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Account	Lekha / Jokha	Persona	Key Characteristic
Assets	Lekha	Karta	Tangible operational resources
Cash	Lekha	Karta	Immediate liquidity
Purchases	Lekha	Karta	Inventory acquisition
Debtors	Lekha	Karta	Future 'giving' potential
Expenses	Lekha	Karta	Costs to drive business growth
Capital	Jokha	Bhokta	Core owner's equity
Sales	Jokha	Bhokta	Primary revenue benefit
Creditors	Jokha	Bhokta	Obligations owed by business
Liabilities	Jokha	Bhokta	Formal financial obligations
Gains	Jokha	Bhokta	All other income/appreciation

BRIDGE

Bridge Note: Mapping to Traditional Classification (NCERT)

NCERT classifies accounts into three types: Personal, Real, and Nominal. The Lekha-Jokha framework cuts across this differently — by the direction of value flow rather than the nature of the entity.

Traditional (NCERT)	Ahinsa Equivalent
Personal accounts (natural, artificial, representative)	Mostly Jokha (Capital, Creditors) or Lekha (Debtors)
Real accounts (tangible and intangible assets)	Lekha accounts (Assets, Cash, Purchases)
Nominal accounts (expenses, losses, incomes, gains)	Expenses → Lekha | Gains/Income → Jokha

1.4 The Golden Rule of Entries

Account Type	Rule
Lekha (Doer) — increase	Debit (Dr.) — record on the LEFT
Lekha (Doer) — decrease	Credit (Cr.) — record on the RIGHT
Jokha (Owner) — increase	Credit (Cr.) — record on the RIGHT
Jokha (Owner) — decrease	Debit (Dr.) — record on the LEFT

In the Ahinsa framework, the Left side represents the active hand of the Karta; the Right side represents the settled benefit of the Bhokta. Every entry must have at least one debit and one credit of equal value.

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Key Terms — Chapter 1

Term	Meaning
Ahinsa framework	The dual-persona Bharatiya ledger system based on Lekha and Jokha
Le-kha	Literally 'what we give'; accounts of the operational Doer
Jo-kha	Literally 'what we had'; accounts of the beneficiary Owner
Karta	The Doer persona — the active operational engine
Bhokta	The Owner persona — the ultimate beneficiary of business activity
Debit (Dr.)	Entry on the LEFT side of an account
Credit (Cr.)	Entry on the RIGHT side of an account

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Practice Questions — Chapter 1

Section A: Short Answer (3–4 Marks)

Q1 Distinguish between the Karta and the Bhokta in the Ahinsa framework. Give one example of an account belonging to each persona. *[3 Marks]*

Q2 Explain the 'Balance of Harmony' principle. How does it ensure that the ledger always balances? *[4 Marks]*

Q3 State the Golden Rule of Entries for Lekha and Jokha accounts with an example for each. *[3 Marks]*

Q4 Classify the following accounts as Lekha or Jokha and give a reason for each: *[4 Marks]*

(a) Machinery account

(b) Sales account

(c) Rent expense account

(d) Bank loan account

Section B: Journal Entry Problems (Practical)

Q5 Journalise the following transactions in the books of Priya Traders using the Lekha-Jokha framework. Identify the account type (Lekha/Jokha) for each account affected. *[6 Marks]*

(e) April 1: Priya commenced business with cash ₹2,00,000

(f) April 3: Purchased goods for cash ₹40,000

(g) April 7: Sold goods on credit to Rajan for ₹25,000

(h) April 10: Paid rent ₹8,000 by cheque

(i) April 15: Received cash from Rajan ₹25,000

(j) April 20: Purchased furniture for ₹15,000 cash

Q6 Record the following in the journal of Mehta & Sons. For each entry, state whether it is a Case 1, 2, 3, or 4 transaction as per the Ahinsa four-case model. *[4 Marks]*

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(k) Took a bank loan of ₹1,00,000

(l) Paid creditor Sharma by cash ₹30,000

(m) Exchanged old machinery (₹20,000) for new machinery of equal value

(n) Transferred profit of ₹15,000 to Capital account

Section C: Case-Based Questions

Q7 Arjun runs a small electronics shop. He describes his business to you: 'I always have stock on hand (my Karta looks after the goods), but I also keep track of what I owe my suppliers and what customers owe me.' Based on this description, answer the following: *[6 Marks]*

(o) Identify two Lekha accounts and two Jokha accounts in Arjun's business.

(p) When Arjun buys stock on credit from a supplier, which case (1–4) does this represent? Journalise the entry.

(q) Explain in your own words why the Bhokta's interest is served when the Karta does its job well.

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Chapter 2: Journal and Ledger — Recording Value Flows

NCERT Reference: Class 11 — Chapters 3 & 4 (Recording of Transactions, Ledger)

2.1 The Journal: Capturing the Interaction

The journal is the book of first entry. Every transaction tells a story of value flowing between the Karta and the Bhokta — or between two Karta accounts, or between two Bhokta accounts. The journal captures each story in one entry.

The Ahinsa four-case model provides the logical backbone for every journal entry:

Case	Flow	Debit	Credit
Case 1 — Expansion/Funding	Lekha+ / Jokha+	Lekha account (e.g. Cash)	Jokha account (e.g. Capital)
Case 2 — Settlement/Outflow	Jokha− / Lekha−	Jokha account (e.g. Creditors)	Lekha account (e.g. Cash)
Case 3 — Asset Reallocation	Lekha+ / Lekha−	Lekha account (e.g. Machinery)	Lekha account (e.g. Cash)
Case 4 — Benefit/Obligation Shift	Jokha− / Jokha+	Jokha account (e.g. Gains)	Jokha account (e.g. Capital)

2.2 Worked Example: Journal Entries

The following transactions relate to Surya Enterprises for April 2025. Journalise them using the Ahinsa framework.

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
Apr 1	**Cash A/c** **Dr.** *[Lekha: increases — Case 1]* To Capital A/c *[Jokha: increases — Case 1]* (Owner introduces capital)	1	1,50,000	
	To Capital A/c	4		1,50,000
Apr 5	**Purchases A/c** **Dr.** *[Lekha: increases — Case 3]* (Goods purchased for cash)	5	30,000	

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Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
	To Cash A/c *[Lekha: decreases — Case 3]*	1		30,000
Apr 12	**Debtors A/c (Rakesh)** **Dr.** *[Lekha: increases — Case 3]* (Goods sold on credit)	6	20,000	
	To Sales A/c *[Jokha: increases — Case 1]*	7		20,000
Apr 20	**Creditors A/c (Sharma)** **Dr.** *[Jokha: decreases — Case 2]* (Cash paid to creditor)	8	15,000	
	To Cash A/c *[Lekha: decreases — Case 2]*	1		15,000

2.3 The Ledger: The Karta-Bhokta Register

The ledger is the book of final entry. Each account has a T-format page: the left (Dr.) side shows what the Karta gives or what the Bhokta loses; the right (Cr.) side shows what the Karta gives up or what the Bhokta gains.

Posting rules from journal to ledger:

- For every Dr. entry in the journal → post to the Dr. side of that account's ledger page
- For every Cr. entry in the journal → post to the Cr. side of that account's ledger page
- The balance of each Lekha account is normally Dr. (debit balance)
- The balance of each Jokha account is normally Cr. (credit balance)

BRIDGE

Bridge Note: Traditional Rules vs. Ahinsa Rules

NCERT states three Golden Rules: (1) Debit the receiver, credit the giver. (2) Debit what comes in, credit what goes out. (3) Debit all expenses and losses, credit all incomes and gains. The Ahinsa framework unifies all three rules into one: identify whether the account is Lekha or Jokha, then apply the single Lekha/Jokha rule. The outcome is always identical.

Key Terms — Chapter 2

Term	Meaning
Journal	Book of first entry; records each transaction as it occurs
Ledger	Book of final entry; classifies transactions by account
Posting	Transferring a journal entry to the relevant ledger account

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Term	Meaning
Debit balance	When the Dr. side exceeds the Cr. side (normal for Lekha)
Credit balance	When the Cr. side exceeds the Dr. side (normal for Jokha)

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Practice Questions — Chapter 2

Section A: Short Answer (3–4 Marks)

Q1 Explain why Lekha accounts normally carry a debit balance and Jokha accounts normally carry a credit balance. *[3 Marks]*

Q2 A student says: 'In Case 3 transactions, only Lekha accounts are involved, so the Bhokta is unaffected.' Do you agree? Explain with an example. *[4 Marks]*

Q3 State the posting rule for transferring journal entries to the ledger. Why is it important that the ledger reflects the Karta-Bhokta separation? *[4 Marks]*

Section B: Journal Entry Problems (Practical)

Q4 Journalise the following transactions of Khan Traders for May 2025. Against each entry, identify the Ahinsa case (1–4) and state whether each account is Lekha or Jokha. *[8 Marks]*

(r) May 1: Started business with capital of ₹3,00,000 in cash

(s) May 4: Opened a bank account and deposited ₹1,00,000

(t) May 8: Purchased goods on credit from Verma & Co. ₹60,000

(u) May 12: Sold goods for cash ₹45,000

(v) May 18: Paid salaries ₹12,000 by cheque

(w) May 22: Received commission ₹5,000 in cash

(x) May 25: Paid Verma & Co. ₹60,000 by cheque

(y) May 28: Withdrew ₹10,000 from bank for personal use (Drawings)

Q5 Prepare the Cash Account and Capital Account in the ledger for Khan Traders from the transactions in Question 4. Balance both accounts as at 31 May. *[6 Marks]*

Section C: Case-Based Questions

Q6 Meena is a new student who has been taught the traditional three-Golden-Rules approach. She argues: 'When you debit an expense account, you are

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following the rule — debit all expenses. The Ahinsa rule says debit Lekha accounts when they increase. But Expenses decrease my wealth, so why does it increase the account?' Help Meena resolve her confusion by answering the following: *[6 Marks]*

(z) Explain why Expenses are classified as Lekha accounts in the Ahinsa framework.

(aa) Show how the Karta's perspective justifies recording an expense as a Lekha increase (Dr.).

(bb) Use a specific example — such as paying rent ₹10,000 — to demonstrate both the Ahinsa entry and the equivalent traditional entry, showing they produce the same result.

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Chapter 3: Trial Balance and Rectification of Errors

NCERT Reference: Class 11 — Chapter 5 (Trial Balance and Rectification of Errors)

3.1 The Trial Balance: Testing Harmony

The Trial Balance is a statement prepared at the end of an accounting period that lists all ledger account balances in two columns — Debit (Dr.) and Credit (Cr.). If total debits equal total credits, the ledger is said to be arithmetically balanced, confirming the Ahinsa principle: every giving must have a corresponding benefit, and vice versa.

LEKHA

Accounts appearing on the Debit side of Trial Balance (Lekha normal balance)

Assets · Cash · Bank · Debtors · Purchases · Expenses · Drawings

JOKHA

Accounts appearing on the Credit side of Trial Balance (Jokha normal balance)

Capital · Sales · Creditors · Loans · Liabilities · Gains / Income

3.2 Types of Errors

The Trial Balance will tally even if certain errors exist. In the Ahinsa framework, errors can be understood as a breakdown of the Karta-Bhokta harmony:

Error Type	Ahinsa Perspective
Errors of complete omission	Neither the Karta nor the Bhokta is recorded — the transaction is invisible to the ledger
Errors of commission	The correct personas are debited/credited but the wrong specific account is chosen within that persona
Errors of principle	A Lekha account is treated as a Jokha account, or vice versa — the personas are confused
Compensating errors	Two mistakes that cancel each other out — harmony appears on the surface but is violated underneath

3.3 Suspense Account

When the Trial Balance does not tally, a Suspense Account is opened for the difference. It is a temporary Lekha account (if the debit side is short) or a temporary

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Jokha account (if the credit side is short). Once errors are located and corrected, the Suspense Account balance becomes nil.

BRIDGE

Bridge Note

NCERT identifies the same four error types. The Ahinsa framework adds the Karta-Bhokta lens: errors of principle are particularly significant because they misidentify which persona a transaction affects — for example, treating a capital expenditure as a revenue expense means the Karta is wrongly charged for something that should enhance the Bhokta's long-term asset base.

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Practice Questions — Chapter 3

Section A: Short Answer (3–4 Marks)

Q1 Why does the Trial Balance not detect all errors? Name two types of errors that do not affect the Trial Balance and explain each in terms of the Karta-Bhokta framework. *[3 Marks]*

Q2 A business debited Repairs to Machinery ₹5,000 to the Machinery Account instead of Repairs Account. (a) Identify the type of error. (b) Write the rectification entry using the Ahinsa framework. *[4 Marks]*

Q3 What is a Suspense Account? Under what circumstances is it a Lekha account and when is it a Jokha account? *[3 Marks]*

Section B: Journal Entry Problems (Practical)

Q4 The Trial Balance of Gupta Enterprises shows a difference of ₹3,200 (debit side short). A Suspense Account is opened. Later, the following errors are discovered. Write rectification journal entries and close the Suspense Account. *[6 Marks]*

(cc) Sales returns of ₹1,600 were not recorded at all

(dd) Cash received from debtor Patel ₹2,400 was posted to the credit of Gupta's personal account

(ee) Stationery purchased for ₹1,200 was debited to Furniture Account

Section C: Case-Based Questions

Q5 The accountant of Sunrise Ltd. presents a Trial Balance that tallies. However, during an internal audit, the following issues are found: Goods purchased for office use (₹8,000) were recorded as Purchases (a Lekha account for trading goods). A sale of ₹5,000 to customer Anand was recorded but posted to a customer named Anandan. Discount allowed ₹500 was not recorded anywhere. *[6 Marks]*

(ff) For each issue, state the type of error using Ahinsa terminology and explain which Karta-Bhokta interaction was distorted.

(gg) State whether each error affects the Trial Balance agreement or not, and give a reason.

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(hh) Prepare rectification entries for all three errors.

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Chapter 4: Financial Statements

NCERT Reference: Class 11 — Chapter 9 (Financial Statements)

4.1 The Story the Statements Tell

Financial statements are the culmination of the ledger — the point at which the Karta's activities and the Bhokta's accumulated wealth are formally presented. Two primary statements flow from the Ahinsa framework:

- Trading and Profit & Loss Account — the Karta's operational performance report
- Balance Sheet — the Bhokta's snapshot of wealth, obligations, and equity

4.2 Trading and Profit & Loss Account

All Lekha accounts related to trading activity (Purchases, Expenses, Returns) and Jokha revenue accounts (Sales, Gains) are closed through this account at year end. The resulting net profit or loss is the Karta's ultimate report to the Bhokta.

Dr. Side (Lekha flows out)	Cr. Side (Jokha flows in)
Opening stock	Sales
Purchases	Closing stock
Direct expenses	Gross profit c/d
Gross profit b/d	
Indirect expenses / losses	Other income / gains
Net profit (transferred to Capital)	

4.3 Balance Sheet

The Balance Sheet is the definitive statement of Jokha (what the Bhokta has) vs. Lekha (what the Karta commands). It lists all Jokha accounts on the Liabilities side and all Lekha asset accounts on the Assets side.

Liabilities (Jokha accounts)	Assets (Lekha accounts)
Capital (+ Net Profit − Drawings)	Fixed assets: Land, Machinery, Furniture
Long-term loans	Current assets: Stock, Debtors, Cash
Creditors	Prepaid expenses
Outstanding expenses	Accrued income
Bank overdraft	

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BRIDGE

Bridge Note: NCERT Format vs. Ahinsa Format

NCERT presents the Balance Sheet with Liabilities on the left and Assets on the right (traditional format) or in the vertical format for companies. The Ahinsa framework maintains the same structure; it simply reframes liabilities as Jokha accounts (obligations the Bhokta must honour) and assets as Lekha accounts (resources the Karta commands). No adjustments to the NCERT format are needed — only the conceptual lens changes.

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Practice Questions — Chapter 4

Section A: Short Answer (3–4 Marks)

Q1 Explain, using the Karta-Bhokta metaphor, why net profit from the Profit & Loss Account is transferred to the Capital Account and not left in the Profit & Loss Account. *[4 Marks]*

Q2 A business has outstanding rent of ₹5,000 and prepaid insurance of ₹2,000. Classify each item as Lekha or Jokha and state where it appears in the Balance Sheet. *[3 Marks]*

Section B: Journal Entry Problems (Practical)

Q3 From the following balances of Naidu Traders as at 31 March 2025, prepare a Trading and Profit & Loss Account and a Balance Sheet using the Ahinsa framework labels. For each item, state whether it is a Lekha or Jokha account. Capital ₹2,00,000; Debtors ₹40,000; Creditors ₹30,000; Stock (opening) ₹25,000; Purchases ₹1,20,000; Sales ₹1,80,000; Salaries ₹18,000; Rent ₹12,000; Furniture ₹50,000; Cash ₹45,000; Closing stock ₹35,000. *[8 Marks]*

Section C: Case-Based Questions

Q4 A student preparing the Balance Sheet of her family's grocery store asks: 'My teacher says Capital goes on the Liabilities side — but Capital is what my father owns! How is what he owns a liability?' Using the Ahinsa framework, answer the following: *[6 Marks]*

(ii) Explain why Capital appears on the Jokha (Liabilities) side of the Balance Sheet from the perspective of the business entity.

(jj) Distinguish between the Bhokta's external view (owner's perspective) and the business entity's view.

(kk) If the owner introduces additional capital of ₹50,000 in cash mid-year, journalise the entry and identify the Ahinsa case.

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UNIT 2 — CLASS 12

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Chapter 5: Partnership Accounts

NCERT Reference: Class 12 — Chapters 1–4 (Partnership: Fundamentals, Change in Profit Ratio, Admission, Retirement/Death)

5.1 The Partnership as a Multi-Bhokta Firm

A partnership extends the Ahinsa model to multiple owners. Where a sole proprietorship has one Bhokta, a partnership has two or more. Each partner is a Bhokta with their own Capital Account (Jokha), and the collective Karta (the firm) operates on their combined resources.

Account	Lekha / Jokha
Partner's Capital A/c	Jokha
Partner's Current A/c	Jokha (or Lekha if Dr. balance)
Profit & Loss Appropriation A/c	Jokha
Drawings A/c	Lekha
Goodwill A/c	Lekha
Revaluation A/c	Jokha (gain) / Lekha (loss)

5.2 Admission of a Partner

When a new partner is admitted, the Bhokta community expands. The incoming Bhokta brings resources (a Lekha event) and gains a share of the Jokha (equity). Three key accounting treatments arise:

1. Goodwill: The new partner compensates existing Bhoktas for their established business value. The premium for goodwill is a Jokha gain for existing partners (credited to their Capital Accounts).
2. Revaluation of Assets and Liabilities: Any increase in asset value increases the Lekha pool — recorded as a gain (Jokha) in the Revaluation Account. Decreases are Lekha losses.
3. New Capital Arrangement: Fresh Jokha balances are set for all partners, including the incoming Bhokta.

Worked Example — Admission:

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
	Cash A/c Dr. *[Lekha increases — Case 1]* To New Partner's Capital A/c		50,000	

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
	[Jokha increases — Case 1] (New partner brings in capital ₹50,000)			
	To New Partner's Capital A/c			50,000
	New Partner's Capital A/c Dr. *[Jokha decreases — Case 4]* To Old Partners' Capital A/cs *[Jokha increases — Case 4]* (Goodwill ₹20,000 distributed to existing Bhoktas in sacrificing ratio)		20,000	
	To Old Partners' Capital A/cs			20,000

5.3 Retirement and Death of a Partner

When a Bhokta exits the firm, the remaining partners absorb their equity. The retiring partner's Capital Account (Jokha) is settled — either paid out (a Lekha Cash outflow) or converted to a loan.

BRIDGE

Bridge Note

NCERT covers these topics under the same headings. The Ahinsa value-add is the conceptual clarity of 'multi-Bhokta equity': students understand that the Revaluation Account and Goodwill Account are not abstract journal devices — they are the mechanism by which the Bhokta community fairly distributes the benefits and costs of change in membership.

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Practice Questions — Chapter 5

Section A: Short Answer (3–4 Marks)

Q1 A, B, and C are partners sharing profits in 3:2:1. D is admitted for 1/4 share. Calculate the new profit-sharing ratio and the sacrificing ratio. Using the Ahinsa framework, explain whose Jokha accounts are debited and credited for goodwill on D's admission. *[4 Marks]*

Q2 Why is the Revaluation Account described as a temporary Jokha account? What happens to its balance at the end of the revaluation process? *[3 Marks]*

Section B: Journal Entry Problems (Practical)

Q3 X and Y are partners sharing profits equally. Z is admitted for 1/3 share. Z brings ₹80,000 as capital and ₹15,000 as premium for goodwill (to be shared by X and Y equally). Assets are revalued: Land increases by ₹20,000, Machinery decreases by ₹5,000. Journalise all entries on Z's admission using the Lekha-Jokha framework, identifying the account type and Ahinsa case for each entry. *[8 Marks]*

Section C: Case-Based Questions

Q4 Priya and Raj are partners. Raj decides to retire. At the time of retirement, Raj's capital balance is ₹1,20,000 and his share of goodwill is ₹30,000. The firm agrees to pay Raj ₹50,000 immediately and treat the balance as a loan. *[6 Marks]*

(ll) Calculate the total amount due to Raj and the amount transferred to his Loan Account.

(mm) Journalise all entries on Raj's retirement using the Ahinsa framework.

(nn) Explain how Raj's exit changes the Bhokta community of the firm and how the Karta is affected.

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Chapter 6: Company Accounts

NCERT Reference: Class 12 — Chapters 7–9 (Issue of Shares, Debentures, Financial Statements)

6.1 The Company as a Corporate Bhokta

A company is the most complex form of the Bhokta. Thousands of shareholders are Bhoktas, each holding a fractional claim on the firm's equity. The Karta — the Board of Directors and management — operates the enormous Lekha machinery on their behalf.

Account	Lekha / Jokha
Share Capital A/c	Jokha
Securities Premium A/c	Jokha
Debentures A/c	Jokha (liability)
Calls in Arrears A/c	Lekha (contra)
Calls in Advance A/c	Jokha (liability)
Forfeited Shares A/c	Jokha
Discount on Issue of Debentures	Lekha (loss)
Premium on Redemption	Jokha (liability)

6.2 Issue of Shares

When a company issues shares, the corporate Bhokta receives permanent equity resources from its shareholders. This is the classic Case 1 transaction (Lekha+/Jokha+) on a grand scale.

Stages of Share Issue:

4. Application: Cash received is a Lekha increase; Application Money Payable (Jokha) is created temporarily.
5. Allotment: The Jokha obligation is reclassified into permanent Share Capital (Jokha).
6. Calls: Remaining capital is called up over time — Lekha cash increases, Jokha Share Capital increases.

Worked Example — Shares issued at premium (₹10 face value, ₹2 premium, application ₹4, allotment ₹8 including premium, final call ₹nil):

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Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
On Application	**Bank A/c Dr.** *[Lekha: Case 1]* To Share Application A/c *[Jokha: Case 1]* (Application money received @ ₹4 per share)		4,00,000	
	To Share Application A/c			4,00,000
On Allotment	**Share Application A/c Dr.** *[Jokha decreases — Case 4]* To Share Capital A/c *[Jokha increases — Case 4]* (Application money transferred to Share Capital)		4,00,000	
	To Share Capital A/c			4,00,000
	Share Allotment A/c Dr. *[Lekha increases — Case 1]* To Share Capital A/c *[Jokha increases — Case 1]* To Securities Premium A/c *[Jokha increases — Case 1]* (Allotment money due @ ₹6 + ₹2 premium per share)		8,00,000	
	To Share Capital A/c To Securities Premium A/c			6,00,000 / 2,00,000

6.3 Debentures

Debentures represent borrowed funds — the company (Karta) receives Lekha resources but creates a Jokha obligation (liability) to repay them. Unlike shares, debenture holders are not Bhoktas; they are external creditors.

LEKHA

On Issue of Debentures

Bank A/c Dr. [Lekha increases] → To Debentures A/c Cr. [Jokha increases — a new liability]

JOKHA

On Redemption of Debentures

Debentures A/c Dr. [Jokha decreases] → To Bank A/c Cr. [Lekha decreases — Case 2 Settlement]

BRIDGE

Bridge Note: Company Financial Statements

NCERT presents company financial statements in the format prescribed by Schedule III of the Companies Act 2013 (vertical format). In the Ahinsa framework, the Statement of Profit & Loss consolidates all Lekha (expense) and Jokha (revenue) movements; the Balance Sheet separates Jokha equity and liabilities from Lekha assets. Shareholders' Funds (Jokha) = Share Capital

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+ Reserves = the Bhokta community's collective equity.

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Practice Questions — Chapter 6

Section A: Short Answer (3–4 Marks)

Q1 Distinguish between shares and debentures using the Ahinsa framework. Specifically address: (a) which type creates a permanent Jokha (equity) entry, (b) which creates a temporary Jokha (liability) entry, and (c) who qualifies as a Bhokta in each case. *[4 Marks]*

Q2 A company forfeits 200 shares of ₹10 each (₹7 paid up). Journalise the forfeiture entry and identify each account as Lekha or Jokha. *[3 Marks]*

Section B: Journal Entry Problems (Practical)

Q3 Sunrise Ltd. issued 10,000 equity shares of ₹10 each at a premium of ₹3 per share, payable as: Application ₹5 (including ₹1 premium), Allotment ₹5 (including ₹2 premium), First and Final Call ₹3. All shares were subscribed and all money received. Journalise all entries from application to receipt of final call using the Lekha-Jokha framework. For each entry, identify the Ahinsa case. *[10 Marks]*

Q4 Star Ltd. issued 500, 12% Debentures of ₹100 each at a discount of 5%, redeemable at par after 5 years. Journalise the issue. Also journalise the first year's interest and the redemption at the end of Year 5. *[6 Marks]*

Section C: Case-Based Questions

Q5 Galaxy Ltd. needs to raise ₹50 lakh for a new factory. The Board is debating between issuing equity shares and issuing debentures. The CFO says: 'Issuing shares grows our Bhokta community but dilutes existing equity. Issuing debentures keeps the Bhokta community intact but adds a fixed Jokha obligation.' Evaluate this statement and answer the following: *[6 Marks]*

(oo) Using Ahinsa terminology, explain why equity issue grows the Bhokta community while debenture issue does not.

(pp) What is the impact on the Balance Sheet's Jokha side in each case?

(qq) If the company earns a profit of ₹8 lakh after paying 12% interest on debentures (₹6 lakh), journalise the profit transfer to Reserves using the Ahinsa framework.

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Appendix A: Master Account Classification Table

Use this table as a quick reference during problem-solving. All accounts are classified by Lekha/Jokha, their normal balance side, and the NCERT traditional type.

Account	Lekha / Jokha	Normal Balance	Traditional Type (NCERT)
Cash / Bank	Lekha	Dr.	Real
Debtors / Bills Receivable	Lekha	Dr.	Personal
Stock / Inventory	Lekha	Dr.	Real
Fixed Assets (Plant etc.)	Lekha	Dr.	Real
Purchases	Lekha	Dr.	Nominal
Expenses (Rent, Salary…)	Lekha	Dr.	Nominal
Drawings	Lekha	Dr.	Personal
Calls in Arrears	Lekha	Dr.	Personal
Capital	Jokha	Cr.	Personal
Sales	Jokha	Cr.	Nominal
Creditors / Bills Payable	Jokha	Cr.	Personal
Loans Payable	Jokha	Cr.	Personal
Income / Gains	Jokha	Cr.	Nominal
Share Capital	Jokha	Cr.	Personal
Debentures	Jokha	Cr.	Personal
Securities Premium	Jokha	Cr.	Personal
Reserves & Surplus	Jokha	Cr.	Personal

Appendix B: The Four Ahinsa Cases — Quick Reference

Case	Flow Direction	Example Transaction	Dr. / Cr.
Case 1: Expansion	Lekha↑ / Jokha↑	Owner brings cash capital	Cash Dr. / Capital Cr.
Case 2: Settlement	Jokha↓ / Lekha↓	Pay a creditor by cash	Creditors Dr. / Cash Cr.

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Case	Flow Direction	Example Transaction	Dr. / Cr.
Case 3: Asset Swap	Lekha↑ / Lekha↓	Buy machinery with cash	Machinery Dr. / Cash Cr.
Case 4: Equity Shift	Jokha↓ / Jokha↑	Transfer profit to capital	P&L Dr. / Capital Cr.

Appendix C: Glossary of Ahinsa Accounting Terms

Term	Definition
Ahinsa framework	The dual-persona Bharatiya accounting system based on Lekha (giving) and Jokha (having)
Bhokta	The Owner persona; the ultimate beneficiary of all business activity
Karta	The Doer persona; the operational engine of the business
Lekha	Accounts of giving (Le-kha = what we give); normally carry debit balances
Jokha	Accounts of having (Jo-kha = what we had); normally carry credit balances
Balance of Harmony	The principle that the Bhokta only possesses what the Karta has not yet given away
Case 1 (Expansion)	Lekha increases and Jokha increases simultaneously — funding or revenue event
Case 2 (Settlement)	Jokha decreases and Lekha decreases — obligation is settled through resource deployment
Case 3 (Asset Swap)	One Lekha account increases as another decreases — internal reallocation
Case 4 (Equity Shift)	One Jokha account decreases as another increases — internal equity realignment
Multi-Bhokta firm	A partnership or company where multiple owners share the Jokha (equity)
Corporate Bhokta	Shareholders collectively as the Bhokta of a company

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